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CENTRAL INTELLIGENCE AGENCY

WORKING PAPER

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## INTERNATIONAL ORGANIZATIONS GROUP

## WEEKLY SUMMARY NO. 4

For week ending 25 January 1949

Volume II

## The International Week

The Security Council appears about to pass a four-power resolution on Indonesia setting a timetable for establishment of a sovereign state by 1950. The Rhodes armistice talks between Israel and Egypt are temporarily deadlocked over who shall remain where in the Negeb. Secession of UK, US and Dutch unions from the WFTU will be followed by open efforts to create a new Western trade union grouping under the aegis of the ERP Trade Union Advisory Committee. As the International Wheat Conference convened in Washington, it was highlighted by attendance of both Argentina and the USSR.

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Impasse on European unity plan believed temporary. \*\*Despite the apparent impasse in the Western Union study group on "European unification," it appears likely that a compromise solution will be achieved, if not at the current Western Union Foreign Ministers meeting, at least by the time of the next meeting three months hence. The compromise will probably include not only a Council of Ministers, as proposed by the UK, but some form of parliamentary assembly, as favored by the other four Brussels Pact powers. The chief stumbling block is the UK, which proposes instead of an assembly a European Conference of delegates appointed by the various governments, who would wote by country instead of individually. The French reportedly believe the UK suggestion to be dictated largely by the Labor Government's fear of the role Churchill would play in any assembly to which he could be elected. The isolated British position appears untenable in the long run, however, and may in time have to be modified to meet the views of the other powers. British opposition will also be influenced by the UK belief that the US favors prompt steps toward greater European unity. \*\*

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Soviet interest in International Wheat Conference. The action of the USSR in sending a delegation, reportedly with full powers to sign any agreement, to the current International Wheat Conference in Washington is directly contrary to previous Soviet policy toward international economic organizations and agreements. The USSR has not only failed to join most UN economic bodies except the ECE (where it played little role in actual operations) but also did not attend the GATT or ITO meetings and ignored the previous International Wheat Conferences of 1947 and 1948. Soviet





motives in attending the Conference, which is to draft an international wheat agreement, may stem from: (1) Seviet desire to demonstrate more interest in international economic affairs as part of a "peace offensive"; (2) Soviet interest in developing East-West trade in order to permit imports of strategic items lacking in the Soviet orbit economy; (3) Soviet concern over marketing its exportable surplus of what. (Argentina, the only other major exporter which did not sign the previous eraft agreement, is also attending).

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Franco-British talks on Italian Colonies. \*\*Recent discussions on the Italian colonies between Foreign Ministers Bevin and Schuman forecast another attempt to secure US-UK-French agreement on returning Tripolitania to Italy. Although Schuman urged restoration of both Tripolitania and at least the Massawa-Asmara portion of Eritrea to Italy, Bevin appeared receptive only to the return of the former. Schumen favored Italian trusteeship for Tripolitania on the grounds that: (1) the Italians had sufficient military force to make possible their return, particularly if undertaken in stages; (2) the Government might otherwise fall; and (3) denying Italy this colony would be a setback to Italian adherence to the Western European bloc. Although the present Foreign Office view is that the Government would not fall and Bevin seriously doubted Italian ability to control the colony, he agreed to ask the US whether it wished to alter the US-UK agreed position favoring postponement. Schuman also urged either a collective trusteeship, with Italian and Ethiopian participation, for Massawa and Asmara or at least postponement on these areas, but Bevin adhered firmly to the US-UK position for cession of the bulk of Eritrea to Bthiopia.\*\* It appears possible that Italy is pressing its campaign for both colonies largely in the hope of recovering at least one. The Italian reaction is now apparently the key factor in the colonies picture. and despite other unfavorable consideration, the desire of the Western powers to cement Italian relationships with the Western bloc and bolster the present Government may well lead them to favor granting Italy some form of control over Tripolitania.

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Prospects for Rhodes negotiations. \*\*After an encouraging start, the Rhodes armistice talks between Egypt and Israel have reached a deadlock. The difficulties which have defied the efforts of Mediator Bunche center about the disposition of such strategic strongpoints as Bir Asluj, Beersheba and El Auja in the Negeb.\*\* With the January 25th elections at hand, the PGI has found it difficult to compromise the military advantages which it has gained during the past three months. The ultimate outcome of the Rhodes negotiations will depend to some extent on the results of the Israeli elections. Should Menahim Beigin's militant Hebrew Freedom Novement roll up an unexpectedly large vote, the chances for compromise will be reduced to almost nothing. However, should the moderate government party,



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the Mapai, exhibit strength, the outlook for breaking the deadlock will be much improved. \*\*An indication that Israel may eventually adopt a moderate attitude toward territorial adjustments may be inferred from a chance remark of the Israeli UN representative that Israel might concede a Mediterranean corridor and a small coastar strip around Gaza to Transjordan.\*\* In any case, simultaneous application of British pressure to the Arabs and US persuasion to the Jews may be a necessary prerequisite to success at Rhodes.

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Indonesian developments. The SC is now confronted with a choice between four competing resolutions on Indonesia, the joint US-Norway-China-Cuba resolution, a Dutch, an Australian, and one proposed by the nineteennation New Delhi Conference. The Conference displayed considerable moderation in limiting itself to adoption of a resolution exhorting the Security Council to take strongest action against the Dutch. Without taking explicit steps to erect a permanent Asian bloc, it succeeded in placing the collective weight of regional opinion behind a call for vigorous SC measures. Australia, one of the New Delhi participants, is pressing for a resolution strongly denouncing the Netherlands and setting up an SC Commission with discretionary powers to determine the time and extent of Dutch troop withdrawals from Republican territory. Australia opposes adoption at present of a fixed timetable and favors letting the commission study the situation and prepare a definite plan for Dutch evacuation. The Dutch in turn have drafted a resolution which renders lip service to the Renville principles and envisages the establishment through free elections of a United States of Indonesia prior to 15 November 1950. The Dutch draft, however, ignores the existence of the Republic and calls for replacement of the Good Offices Committee by a UN Plenipotentiary with powers limited to the observation and verification of Dutch good works. All of these resolutions probably will be scrapped in favor of the US-backed four-power resolution.

Despite the pressure of the New Delhi conference, it is unlikely that the four-power resolution can be materially strengthened and still hold in line all of the precarious seven votes required for passage. The resolution attampts to apply the maximum practical pressure on the Dutch to carry out their avowed intentions to establish a United States of Indonesia and directs that the Dutch deal with the Republic. Any resolution which passes the Security Council is almost certain to be unsatisfactory to the New Delhi nations and they will probably study further steps to bring pressure against the Metherlands. Under Indian leadership, they may seek to invoke sanctions against the Dutch independently of the UN. Such measures would conflict with the UN Charter which, while authorizing collective measures of self-defense under Article 51, does not allow imposition of sanctions by regional groups without the approval of the SC. Nevertheless, it is improbable that the letter of the UN Charter would as a practical matter restrain these nations from employing strong economic measures against the Netherlands. Moreover, Dutch defiance of the several



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resolutions of the SC would furnish some novel justification for the Asian nations themselves taking action which they could well claim should in the first instance have been taken by a forthright and fearless SC.

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USSR reinforces hold on world labor forces to rest Western labor The secession of the British, US, and Dutch labor organizations from the World Federation of Trade Unions and their current moves to establish a Mestern-oriented labor interactional are apparently inducing Soviet Russia to tighten the grip it maintains on world labor forces through Communist trude unions. A recent Cominform directive stresses Soviet labor leadership in the international labor rovement and the necessity for "exclusive obedience" by local Communist parties to Moscow. Tighter Communist Party control of labor forces has been instituted in recent months in the Soviet Zone of Germany, where the functions of the old "work councils" are being transferred to the Communist-directed trade union executive committees, and in France and Italy where the Communists have seated themselves on labor-management councils in key industries. These successive moves probably reflect a revised Soviet world labor strategy designed largely to minimize any loss of influence among the workers should a strong anti-Communist labor international be established.

Despite the walk-out of its US, UK and Dutch delegations, the WFTU, with 64 of its 67 national labor organizations still members, will continue to function as a world forum for propagation of Soviet foreign policy objectives. The Communist members of the WFTU Executive Bureau, who "abstained" from voting on the British proposal for WFTU suspension, will probably utilize the January 28 meeting of the Executive Committee (a larger WFTU body embracing 26 national labor centers) to censure the seceding Western labor organizations and to try to prevent the defection of other non-Communist national labor groups.

Efforts of the 15-nation ERP Trade Union Advisory Committee, currently meeting in Bern, to set up a new labor international will be retarded so long as the AFL and the CIO are unable to agree on the terms of US labor representation and on a joint international labor program. Continued AFL insistence on recognition as the predominant US labor organization will impede the coordinated participation which the Western European, particularly the British, trade unions desire and will probably deter their adherence in substantial numbers to any US-UK sponsored international. Such disunity in the Western labor camp is likely to be still further aggravated by current AFL attempts to block selection of a veteran Belgian trade unionist, now a WFTU Assistant Secretary-General, as Secretary of the Trade Union Advisory Committee. This official, who is supported by the TUC and the CIO, would probably be assigned responsibility for drawing up the ground-plan for the new international.

